

City of London Corporation Committee Report

Committee(s): Hampstead Heath, Highgate Wood and Queen's Park Committee	Dated: 03/02/2026
Subject: Operational Finance Progress Report - Quarter 3 (December 2025) 2025/26 – Hampstead Heath	Public report: For Information
This proposal: <ul style="list-style-type: none">• delivers Corporate Plan 2024-29 outcomes• provides statutory duties	Providing Excellent Services Flourishing Public Spaces
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	£0
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of:	Chamberlain
Report author:	Niranjan Shanmuganathan, Chamberlain's Department

Summary

This report provides an update on the operational finance position for Quarter 3 for 2025/26 for Hampstead Heath charity (charity registration no: 803392). This includes the charity's revenue budget to date to the end of December 2025 and projected year-end outturn position, current live capital projects and outstanding debt position. It also provides additional information on the various reserve funds held and other relevant finance information for Hampstead Heath charity.

As part of the ongoing Charity Review, future training sessions will also be designed for both Members and Officers on key aspects of charity finance.

Recommendation(s)

Members are asked to:

- Note the content of this report and its appendices.

Main Report

Background

1. For additional context, various financial appendices and commentary have been produced to enable greater clarity of revenue budgets and other financial information needed to allow greater scrutiny of the financial performance of the Hampstead Heath charity (charity registration no: 803392) as well as to provide assurance that the Executive Director Environment remains within her local risk resources for 2025/26.
2. To ensure your Committee is kept informed, an update on progress made against budgets as well as other financial matters will be reported to you on a periodic (quarterly) basis. This approach will allow Members to ask questions and have a timely input into areas of particular importance to them.
3. Please be advised that in the report below, income and favourable budget variances are represented by brackets, whereas figures without brackets indicate expenditure or adverse budget variances in line with the convention used across the Financial Services Division. Members should also note that generally only budget variances above £50k have been commented on in the report and in Appendix 1.

Revenue Operating Budget – 2025/26

4. The budget for Hampstead Heath for 2025/26 amounts to £7.222m net expenditure. Actual net expenditure as at December 2025 amounted to £5.857m with a current forecast outturn for 2025/26 of £7.058m net expenditure. This amounts to a projected net underspend for 2025/26 of (£164k), equivalent to 2.27% of the total net expenditure budget.
5. A summary of the revenue budget position for 2025/26 is shown in Table 1 below, with further detailed information provided in Appendix 1, including reasons for significant budget variances. Information has also been presented in a way that distinguishes between expenditure and income budgets in line with best practice for the financial reporting of charities. Please note that the information presented below comprises operating revenue budgets (local and central risk) as well as budgets for recharges and support services and repairs and maintenance budgets managed by the City Surveyor.

Table 1 – Revenue Operating Budget Summary – 2025/26 – Hampstead Heath

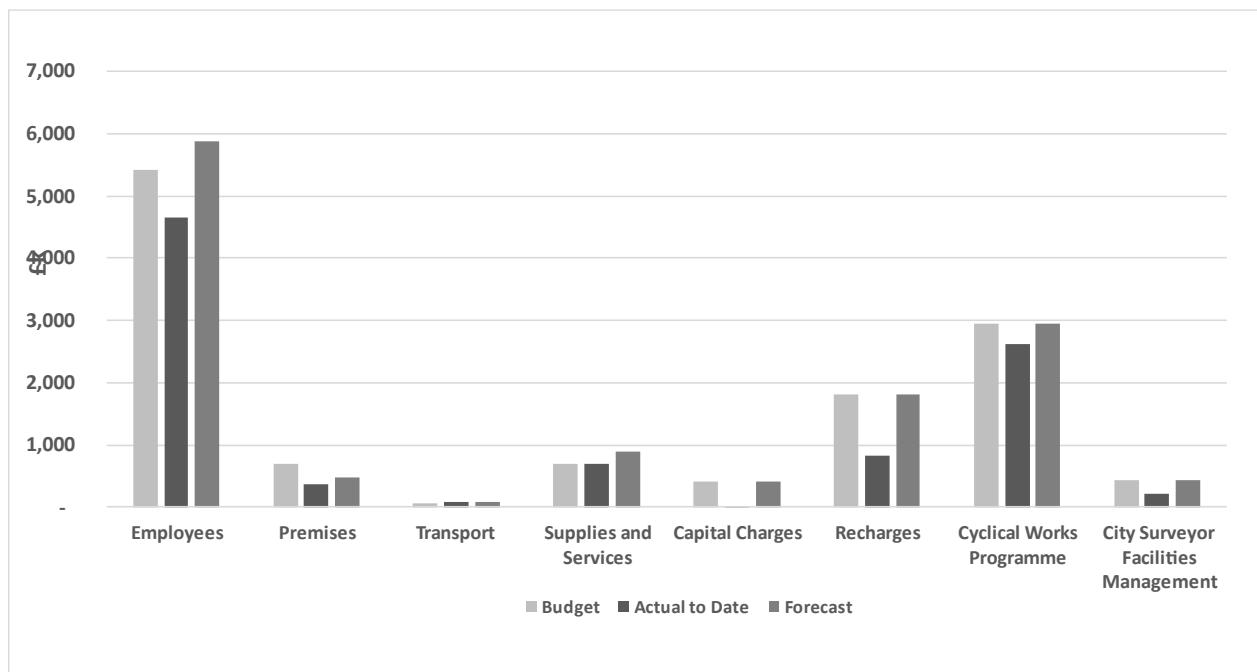
	Budget £'000s	Actual – Dec 2025 £'000s	Forecast Outturn £'000s	Budget Variance £'000s	Variance %
Gross Expenditure	12,468	9,424	12,917	449	3.60
Gross Income	(5,246)	(3,567)	(5,859)	(613)	(11.69)
Net Expenditure	7,222	5,857	7,058	(164)	(2.27)

6. As can be seen from the table above, Hampstead Heath are currently forecasting a total net underspend of (£164k) compared with the total net expenditure budget for 2025/26. The underspend can be attributed to a (£164k) underspend on the charity's central risk budget as shown in Appendix 1.
7. The major budget variances for Hampstead Heath for 2025/26 are set out below and are explained further in Appendix 1:
 - (£286k) additional income in combined Lido and Ponds income is on a trajectory that indicates we will generate £2.4m as a result of the increase customer activity over the autumn and winter;
 - Parking expecting to be in line with last year approx £880k from customer usage plus £83k from shared parking scheme with APCOA, this has resulted in a projected increase of (£213k) net income;
 - One off filming production last summer has contributed an extra (£98k) in income;
 - A net £47k increase in Grounds maintenance and Equipment expenditure to support various upgrades needed to bring Hampstead up to standard; and
 - £344k Increase customer activity at the Lido and Ponds have resulted in more casual lifeguards needed. The increase in staffing has been offset against the increase in customer income at the Ponds and Lido.

Expenditure

8. As at December 2025, total gross expenditure for Hampstead Heath amounted to £9.424m. This represents 75.58% of the total gross expenditure budget for 2025/26 of £12.468m.
9. For 2025/26, the charity are currently forecasting total gross expenditure of £12.917m amounting to an overspend on expenditure of £449k, 3.6% compared with the total gross expenditure budget for 2025/26 of £12.468m.
10. Graph 1 below provides a summary of the different categories of expenditure incurred to December 2025 along with current forecasts for 2025/26.

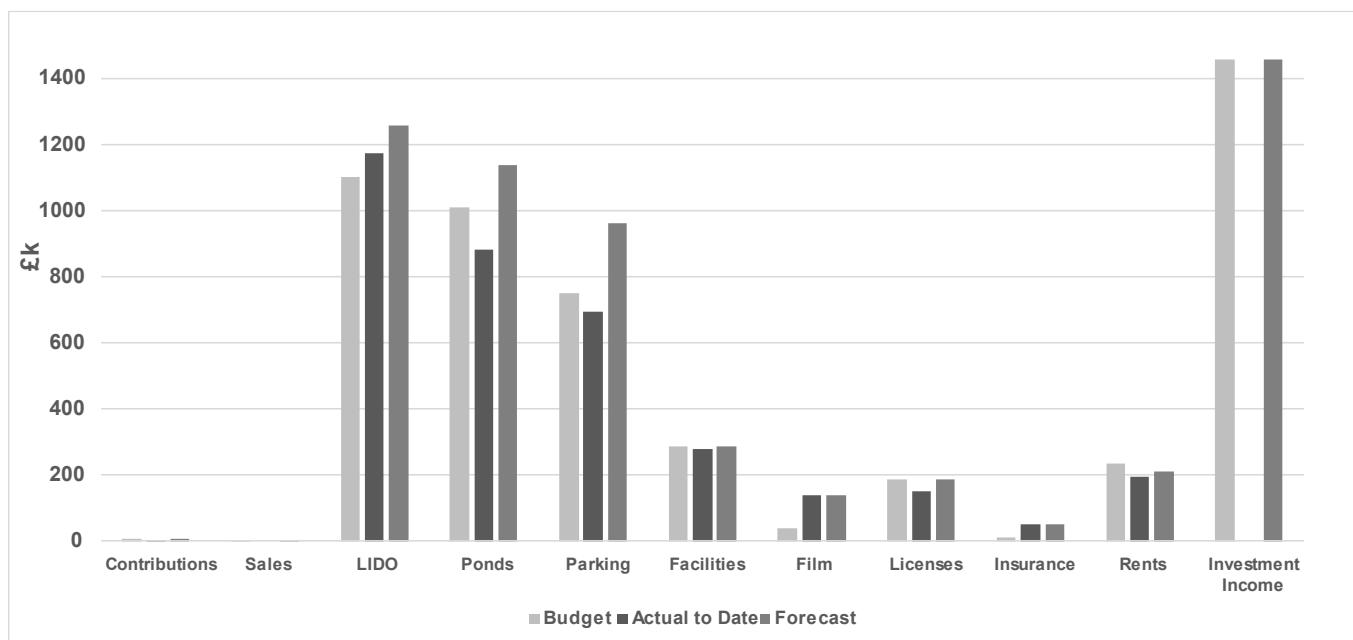
Graph 1 – Expenditure Categories – Hampstead Heath – 2025/26



Income

11. As at December 2025, total gross income for Hampstead Heath amounted to (£3.567m). This represents 67.99% of the charity's total gross income budget for 2025/26 of (£5.246m).
12. For 2025/26, the charity are currently forecasting total gross income of (£5.859m), amounting to an increase in gross income of (£613k), (11.69%) compared with the gross income budget of (£5.246m).
13. Graph 2 below provides a summary of the different categories of income received to December 2025 along with current forecasts for 2025/26.

Graph 2 – Income Categories – Hampstead Heath – 2025/26



Capital Projects

14. Appendix 2 outlines the current list of live capital projects for the charity in progress against their currently approved budget. It should be noted that the “current approved budget” is the amount currently agreed by Committee to progress the project to either the next project gateway or until Officers request further release of capital funds to progress the scheme and may not equal the total estimated cost of the project to finalisation.
15. Out of a current approved budget of £1.304m, £1.135m has been spent or committed to date, leaving a remaining budget of £169k to progress the various projects to the next project gateway, release of further capital funds or completion.

Outstanding Debts

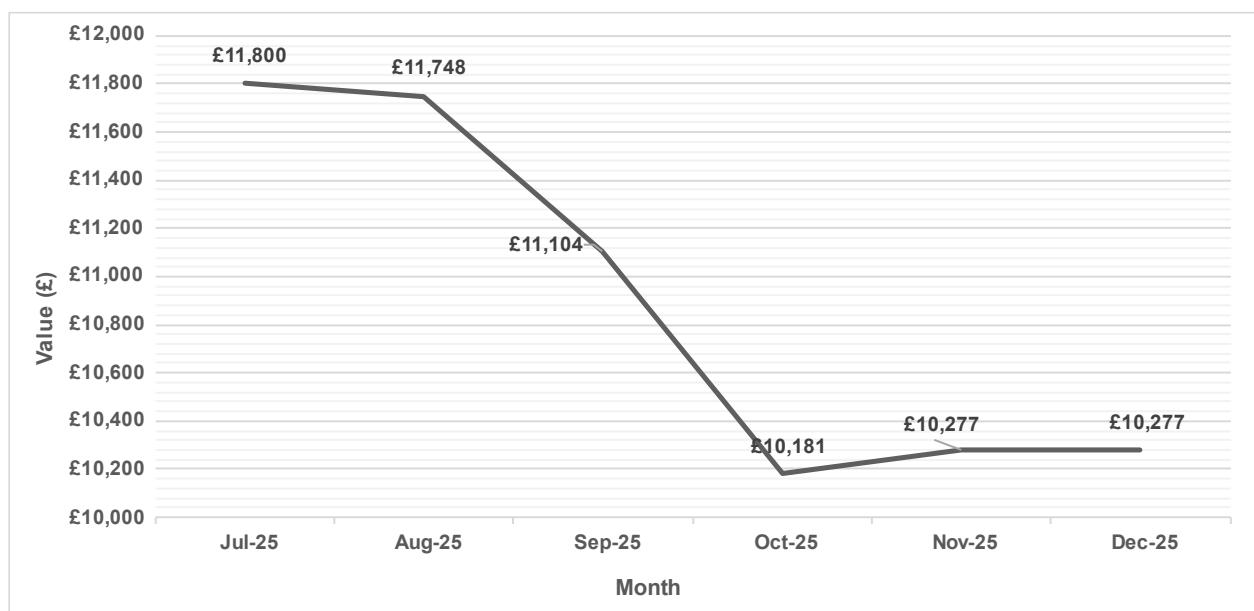
16. At the end of December 2025, total outstanding debts for Hampstead Heath was £16,460. A breakdown of the charity’s debts by age bracket is provided in Table 2 below

Table 2 – Outstanding Debt Arrears Age Profile – Hampstead Heath

Age of Debt	Debt Arrears (£)	% of Total Debts
0-30 Days	0	0.00
31-60 Days	0	0.00
61-90 Days	5,040	30.62
91-120 Days	1,143	6.94
121-365 Days	0	0.00
365+ Days	10,277	62.44
Total	16,460	100.00

17. As part of a previous best value review into outstanding debts, the maximum age of debt set by the Chamberlain to fully recover outstanding sums was set at 120 days. During this period, automatic debt reminder letters, physical debt chasing of customers and liaison with Comptrollers & City Solicitors takes place to ensure debts are resolved within the corporately agreed debt repayment terms. Graph 3 below sets out the trend of the charity's outstanding debts over 120 days over the previous six-month period. As can be seen from the graph, debts over 120 days amounted to £10,277 in December 2025, a reduction of £1,523 (0.13%) over the previous six-month period..

Graph 3 – Outstanding Debts Over 120 Days – July to December 2025



18. Members should note that outstanding debts over 120 days at Hampstead Heath largely consist of historical wayleaves such as mortgages which are currently being reviewed. Please also note that provisions for these debts are currently held in the event that there is a requirement for the debts to be written off.

Charity Funds (Restricted, Unrestricted and Designated)

19. Appendix 3 lists the various restricted, unrestricted and designated funds held by Hampstead Heath. It details the opening balance for 2025/26 and any movements in the current financial year to date. Appendix 3 also provides a definition for each type of charity reserve fund.
20. A summary of the current balances held by the charity for each type of reserve fund and movements in the reserves in 2025/26 is also shown below in Table 3:

Table 3 – Hampstead Heath Reserve Funds Summary – December 2025

	Restricted	Unrestricted	Designated	Total
	£'000s	£'000s	£'000s	£'000s
Opening Balance	80	11	22,493	22,584
Income	2	0	0	2
Expenditure	0	0	0	0
Current Balance	82	11	22,493	22,586

21. The funds received during 2025/26 are £2,150 in Restricted Donations received towards the Golders Hill Park Zoo

Contributions from City's Estate

22. Prior The current funding model for the charities is for the total net expenditure to be fully funded from City's Estate, including the cost of any capital expenditure incurred during the year as well any works managed by the City Surveyor under the Cyclical Works Programme (CWP). Any changes to the amount of expenditure incurred or income generated over the course of the year will have an impact on the overall contribution required by the charities at year end. The total contribution is therefore calculated based on the actual total net running costs for the year in addition to any capital expenditure and CWP costs incurred.

23. Members should note that from 2026/27, the charities will be moving to a grant funded model on its operational (local risk) budget with other elements of the charities budgets continuing to be deficit funded for the time being.

24. The table below details the actual level of contribution provided from City's Estate for the previous four financial years along with the current forecast projected for 2025/26. The table is broken down according to the different elements comprising the charities contribution from City's Estate.

Table 4 – Contributions from City's Estate – 2021/22 to 2025/26 – Hampstead Heath Charity

Hampstead Heath	2021/22	2022/23	2023/24	2024/25	2025/26 (Est.)
	£'000s	£'000s	£'000s	£'000s	£'000s
Gross Expenditure	8,772	8,963	9,459	10,270	9,557
Cyclical Works Expenditure	540	569	565	1,708	2,952
Capital Expenditure	429	62	3,233	385	169
Gross Income	(4,533)	(4,605)	(4,666)	(6,128)	(5,699)
Total Contribution from City of London	5,208	4,989	8,591	6,235	6,979

25. As can be seen from the Table 4, 2024/25 saw a significant decrease in the contribution from City's Estate to Hampstead Heath charity compared with the previous year. This was mainly driven by an increase in capital expenditure on the Parliament Hill Athletics Track Resurfacing project as well as an increase in gross expenditure relating to staff and premise costs which required an increase in the level of deficit funding provided by City's Estate

26. Table 4 also illustrates the increased contribution projected to be provided to the charity from City's Estate for 2025/26. The contribution is currently forecast to increase by £744k (11.94%) compared with the total contribution for 2024/25. The increase is mainly to be incurred in 2025/26 on works falling under CWP projects managed by the City Surveyor as part of the backlog of CWP works.

Corporate & Strategic Implications

Strategic implications – none

Financial implications – none

Resource implications – none

Legal implications – none

Risk implications – none

Equalities implications – none

Climate implications – none

Security implications – none

Conclusion

27. This report provides an update on the operational finance position for Quarter 3 for 2025/26 for Hampstead Heath on a range of financial related matters to the end of December 2025.

Appendices

Appendix 1 – Hampstead Heath Revenue Budget Summary – 2025/26

Appendix 2 – Hampstead Heath Capital Projects 2025/26 – Quarter 3

Appendix 3 – Charity Funds (Restricted, Unrestricted and Designated) - Hampstead Heath

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